LEGAL NOTICE

STATE OF LOUISIANA, OFFICE OF CONSERVATION, BATON ROUGE, LOUISIANA.

In accordance with the laws of the State of Louisiana, and with particular reference to the provisions of Title 30 of Louisiana Revised Statutes of 1950, a public hearing will be held in the Hearing Room, 1st Floor, LaSalle Building, 617 North 3rd Street, Baton Rouge, Louisiana, at 9:00 a.m., on **TUESDAY, OCTOBER 22, 2002,** upon the application of **DENBURY RESOURCES, INC.**

At such hearing the Commissioner of Conservation will consider evidence relative to the issuance of an Order pertaining to the following matters relating to the **BB Sand, Reservoir B,** in the South Chauvin Field, Terrebonne Parish, Louisiana.

- To establish rules and regulations and create a single drilling and production unit for the exploration for and production of gas and condensate, such unit to be designated the BB RB SUA.
- 2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit, with each tract sharing in unit production on a surface acreage basis of participation.
- 3. To designate the Denbury Resources, Inc. Laterre No. 3-C Well as the unit well for the proposed BB RB SUA.
- 4. To designate Denbury Resources, Inc. as the unit operator for the proposed unit.
- 5. To provide that any future substitute or alternate unit wells for the proposed unit should be exempt from any spacing requirements.
- 6. To provide that any future wells drilled to the BB Sand outside of the proposed unit should be located in accordance with the spacing provisions fo Statewide Order No. 29-E.
- 7. To provide that the Commissioner of Conservation should be authorized to reclassify the BB Sand, Reservoir B, by supplemental order without the necessity of a public hearing if the producing characteristics of the reservoir change and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation.
- 8. To consider such other matters as may be pertinent.

The BB Sand, in the South Chauvin Field, Terrebonne Parish, Louisiana, was previously defined in Office of Conservation Order No. 547-B, effective November 1, 1964.

The BB Sand, Reservoir B, in the South Chauvin Field, Terrebonne Parish, Louisiana, is hereby defined as that gas and condensate bearing interval encountered between the depths of 12,293' and 12,354' (ELM) in the Denbury Resources, Inc. - Laterre No. 3-C Well, located in Section 66, Township 18 South, Range 18 East.

A plat is available for inspection in the Office of Conservation in **Baton Rouge** and **Lafayette**, Louisiana or may be found at the following site: www.dnr.state.la.us/CONS/CONSEREN/hearings/pubhearings.htm.

SOUTH CHAUVIN FIELD 02-610

All parties having interest therein shall take notice thereof.

BY ORDER OF:

JAMES H. WELSH COMMISSIONER OF CONSERVATION

Baton Rouge, La 9/13/02;9/18/02 L dpe

IF ACCOMMODATIONS ARE REQUIRED UNDER AMERICANS WITH DISABILITIES ACT, PLEASE ADVISE THE OFFICE OF CONSERVATION - ENGINEERING DIVISION ATP. O. BOX 94275, BATON ROUGE, LA 70804-9275 IN WRITING WITHIN TEN (10) WORKING DAYS OF THE HEARING DATE.